

## Message Text

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INFO ALL NATO CAPITALS

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EXDIS - MIL ADDDEES HANDLE AS SPE AT EXCLUSIVE

E.O. 11652: GDS

TAGS: MILI, MASS, PO, GW

SUBJECT: PORTUGUESE FORCE MODERNIZATION

REF: (A) LISBON 7999 (NOTAL)

(B) BONN 19750 (NOTAL)

(C) USNATO 6385 (NOTAL)

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(D) USNATO 6488

(E) LISBON 8296 (NOTAL)

(F) UNSMR SHAPE 6835 (NOTAL)

1. WASHINGTON AGENCIES SHARE USNATO AND LISBON VIEWS

(REFS D AND E) THAT THE SUCCESS OF PORTUGAL'S FORCE

MODERNIZATION PROGRAM WILL DEPEND IN PART ON CONTRIBUTIONS OF MATERIEL AND TRAINING FROM THE ALLIES. US AND FRG LEADERSHIP IN SUPPLYING MILITARY EQUIPMENT MUST BE COMPLEMENTED BY ACTIVE PARTICIPATION OF OTHER ALLIES IF THE NATO CHARACTER OF THE PROGRAM IS TO BE SUSTAINED. THE PORTUGUESE MUST SEE THAT THEIR REORIENTATION TOWARD NATO AND WESTERN EUROPE HAS THE STRONG MORAL AND MATERIAL BACKING OF ALL THEIR PARTNERS.

2. WE UNDERSTAND THAT THE AD HOC GROUP ON ASSISTANCE TO PORTUGAL AND TURKEY WILL CONVENE AT AN EARLY DATE TO CONSIDER PORTUGUESE REQUIREMENTS. TO TAKE FULL ADVANTAGE

OF THIS OPPORTUNITY, WE PROPOSE TO WORK WITH THE FRG ON A PLAN TO CONSULT IN ADVANCE WITH EACH ALLY REPRESENTED IN THE GROUP, WITH THE FRG AND US SHARING THE CONSULTATION TASK. THE OBJECTIVES OF THE PROPOSED CONSULTATIONS WILL BE:

(A) TO ENSURE THAT MILITARY ASSISTANCE FOR PORTUGAL IS SEEN AND SUPPORTED BY ALL ALLIES AS GENUINELY A NATO EFFORT, NOT MERELY A US/FRG ACTIVITY (RECOGNIZING THAT THE US AND FRG WILL PROBABLY CONTINUE TO BE THE LARGEST CONTRIBUTORS);

(B) TO ENSURE AN ADEQUATE LEVEL OF SUSTAINED ASSISTANCE, PARTICULARLY IN THE EARLY START-UP YEARS OF THE MODERNIZATION PROGRAM;

(C) TO ENSURE THAT ASSISTANCE CONCENTRATES ON AGREED  
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PRIORITIES;

(D) TO ENSURE COORDINATION, I.E., NO OVERLAPS OR LACUNAE, IN PLANNING AND BUDGETING FOR MILITARY ASSISTANCE FOR PORTUGAL.

3. THE US HAS MADE OR PLANS TO MAKE THE SPECIFIC CONTRIBUTIONS OUTLINED IN PARA 4 BELOW. THE MATERIEL THUS FAR DELIVERED OR PROGRAMMED SUPPORTS THE GOP'S TOP PRIOIRITY, THE PARTIALLY AIR TRANSPORTABLE BRIGADE. MOREOVER, THESE EARLY US CONTRIBUTIONS (LIKE THE FRG CONTRIBUTIONS) ARE INTENDED TO MEET PORTUGAL'S UNDEFERABLE POLITICAL NEED FOR IMMEDIATE TANGIBLE EVIDENCE OF NATO SUPPORT FOR THE MODERNIZATION PROGRAM. THE US CONTRIBUTION SHOULD NOT RPT NOT BE TAKEN TO IMPLY THAT THE US ACCEPTS SOLE RESPONSIBILITY FOR THE PROVISION OF ANY SPECIFIC EQUIPMENT TYPE OR CATEGORY OF MILITARY ASSISTANCE. THIS POINT SHOULD BE EMPHASIZED WHENEVER

REFERENCE IS MADE TO THESE EARLY US CONTRIBUTIONS IN DISCUSSIONS WITH ALLIES.

4. SPECIFIC US CONTRIBUTIONS:

A. EMERGENCY DELIVERY IN JUNE 1976 OF A POLITICAL "IMPACT PACKAGE" OF FIVE M48A5 TANKS AND TWENTY M113A1 ARMORED PERSONNEL CARRIERS, AND TRAINING TEAMS FOR BOTH. THE EQUIPMENT ITEMS ARE ON LOAN TO PORTUGAL THROUGH SEPTEMBER 30, 1977. (THE LOAN CAN BE EXTENDED IF CONSULTATIONS WITH ALLIES ON THEIR CONTRIBUTIONS AND WITH THE GOP SUGGEST THAT WOULD BE DESIRABLE.)

B. A GRANT OF FIVE EXCESS FMS-ORIGIN F-86 ENGINES, AND A

LOAN OF SIX T-38 JET TRAINERS. FINAL APPROVAL OF T-38 TRANSACTION IS EXPECTED ABOUT JANUARY 7 WHEN CONGRESSIONAL NOTIFICATION PERIOD ENDS. THE ENGINES WOULD ENABLE THE

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PORTUGUESE AIR FORCE TO USE SOME OF THEIR EXISTING AIRCRAFT IN MAINTAINING ON AN INTERIM BASIS AN ACTIVE AIR DEFENSE CAPABILITY IN SUPPORT OF THE NATO BRIGADE. THE T-38S ARE A BASIC GENERAL PURPOSE "UNDERGRADUATE" TRAINER AND DO NOT RPT NOT REPLACE OR OVERLAP THE SIX G-91 TRAINERS THE FRG HAS GIVEN THE PORTUGUESE. PILOTS WOULD NORMALLY TRAIN ON THE T-38 OR SIMILAR AIRCRAFT BEFORE GOING ON TO QUALIFY IN TYPES OF AIRCRAFT WHICH PORTUGAL WOULD USE IN SUPPORT OF THE BRIGADE.

C. THE PRESIDENT HAS APPROVED A SUPPLEMENTAL REQUEST TO CONGRESS TO INCREASE THE FY 77 GRANT MAP FOR PORTUGAL TO \$30 MILLION. WE ARE CONSIDERING THE POSSIBILITY OF PROCURING C-130 AIRCRAFT WITH THESE FUNDS OR A COMBINATION OF AIRCRAFT AND SOME OF THE PRIORITY GROUND FORCE EQUIPMENT FOR THE BRIGADE. THE C-130S WILL COMPLEMENT PORTUGAL'S PURCHASE OF TWO C-130S WITH ITS OWN FUNDS. THE MODERNIZATION PROGRAM CALLS FOR A TOTAL OF SIX.

D. WE HOPE TO BE ABLE TO PROVIDE SUBSTANTIAL MILITARY ASSISTANCE TO PORTUGAL USING FY 78 BUDGET FUNDS. FYI ONLY. THE PRESIDENT HAS APPROVED INCLUSION OF \$25 MILLION IN GRANT MILITARY MATERIEL ASSISTANCE AND \$3 MILLION FOR TRAINING FOR FY 1978. PROHIBITION AGAINST DIVULGING THESE APPROVED LEVELS WILL REMAIN IN EFFECT UNTIL SUCH TIME AS THE CONGRESSIONAL PRESENTATION DOCUMENT SUPPORTING THESE REQUESTS IS PROVIDED THE CONGRESS, PROBABLY IN FEBRUARY 1977. MOREOVER, LEVELS WILL BE SUBJECT TO REVIEW AND POSSIBLE REVISION BY THE NEW ADMINISTRATION AFTER JANUARY 20, 1977. CLARIFICATION OF THIS POINT WAS

REQUESTED IN REF A.

5. FOR BONN: PLEASE SEEK EARLIEST POSSIBLE OPPORTUNITY  
TO CONSULT WITH HIGHEST APPROPRIATE FRG LEVEL, DRAWING ON  
PARAS 3 AND 4 ABOVE, TO REVIEW SITUATION TO DATE, INCLUDING  
PAST AND PROSPECTIVE US EFFORTS, AND CONCLUDING WITH

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DISCUSSION ALONG FOLLOWING LINES:

-- WE APPRECIATE THE SUPPORT SHOWN BY THE FRG IN MAKING  
AVAILABLE TO THE GOP TWENTY G-91 AIRCRAFT (INCLUDING SIX  
CONFIGURED FOR TRAINING) AS WELL AS PROVIDING NECESSARY  
OVERHAUL AND MAINEENANCE.

-- WE BELIEVE FURTHER EFFORTS BY OTHER ALLIES ARE NOW  
NEEDED TO SUSTAIN THE MOMENTUM ALREADY ACHIEVED BY US AND  
GERMAN MILITARY GRANT AID.

-- IT IS IMPORTANT THAT WE AND OTHER ALLIES AGREE ON SOME  
DIVISION OF RESPONSIBILITY FOR DELIVERING SUCH SUPPORT.

-- IN CONSIDERING POSSIBLE END USES FOR THE FUNDS THE US  
EXPECTS TO MAKE AVAILABLE IN THE FUTURE, WE WOULD  
APPRECIATE LEARNING WHATEVER THE FRG CAN TELL US REGARDING  
ITS OWN INTENTIONS.

-- FOR EXAMPLE, WE UNDERSTAND FRG MIGHT BE ABLE TO PROVIDE  
FIFTY M48A2 TANKS PLUS EQUIPMENT FOR AN ARTILLERY  
BATALLION (REF B). IF SO, IS THE FRG WILLING TO PROVIDE  
SOME OR ALL OF THIS EQUIPMENT DURING OUR FY 77? ALSO,  
IS THE FRG WILLING TO UPGRADE THE TANKS TO M48A5S?

-- WHAT DOES THE FRG SEE AS ITS OTHER POSSIBLE CONTRIBU-  
TIONS?

-- IN WHAT AREAS DOES THE FRG THINK OTHER ALLIES MIGHT  
REASONABLY BE EXPECTED TO PROVIDE EQUIPMENT OR TRAINING?  
ITALY COULD CONSIDER CONTRIBUTING ARMORED PERSONNEL  
CARRIERS. BELGIUM COULD ALSO CONSIDER CONTRIBUTING SMALL  
ARMS AND HEAVY INFANTRY WEAPONS. THE NETHERLANDS MIGHT  
CONSIDER ELECTRONICS EQUIPMENT AND TRAINING. FRANCE  
MIGHT BE ASKED FOR ANTI-TANK MISSILES AND OTHER ANTI-  
ARMOR CAPABILITIES AS WELL AS SPECIALIZED ASSISTANCE IN

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SUBMARINE WARFARE.

-- ALTHOUGH NAVY MODERNIZATION REQUIREMENTS HAVE SECOND PRIORITY AFTER THE BRIGADE PROGRAM AND THE AIR FORCE MODERNIZATION RELATED TO THE BRIGADE, THERE IS SOME INTEREST IN ASSISTANCE TO THE NAVY. THESE NEEDS ARE DISCUSSED IN THE RECENTLY COMPLETED US SURVEY TEAM REPORT TO THE PORTUGUESE NAVY. IN THIS CONNECTION, PERHAPS NORWAY AND THE UK COULD ASSIST WITH UPGRADING DE/FRIGATE CLASS SHIPS, AND BELGIUM AND OTHER STANAVFORCHAN NATIONS COULD PROVIDE EQUIPMENT AND TRAINING IN THE MINE WARFARE AREA.

-- WE WOULD ALSO LIKE FRG RECOMMENDATIONS CONCERNING EARLY ASSISTANCE TO THE PORTUGUESE IN ESTABLISHING VIABLE LOGISTICS, MAINTENANCE AND SUPPLY SYSTEMS. THIS AREA WAS IDENTIFIED IN THE JOINT US/FRG ARMY SURVEY REPORT AS A REQUIREMENT PRIOR TO THE DELIVERY OF NEW EQUIPMENT.

-- WE WOULD APPRECIATE ANY POSSIBLE PRELIMINARY FRG REACTIONS TO THESE CONSIDERATIONS AS SOON AS POSSIBLE. WITH FRG CONCURRENCE ON DIVISION OF LABOR, WE WOULD PLAN TO APPROACH THE OTHER ALLIES IN ADVANCE OF THE UPCOMING AD HOC GROUP MEETING IN ORDER TO ENCOURAGE THE MOST POSITIVE

RESPONSES POSSIBLE AT THE MEETING.

6. PLEASE ADVISE FRG REACTION ASAP, INCLUDING THOUGHTS ON HOW TO PROCEED ON CONSULTATIONS WITH OTHER ALLIES.

7. FOR LISBON: FOREGOING SHOULD NOT BE DISCUSSED WITH THE GOP UNTIL US-FRG CONSULTATIONS HAVE BEEN COMPLETED. IN THE MEANTIME, EMBASSY SHOULD ENCOURAGE GOP TO PREPARE ENTREATIES FOR POSITIVE AND SPECIFIC RESPONSES FROM EACH ALLY THAT PARTICIPATES IN THE AD HOC GROUP, DRAWING ON THE EXCELLENT PORTUGUESE SERVICE PRESENTATIONS AT THE NOV. 19  
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DRC (REF C). GOP SHOULD ALSO BE AWARE OF ALLIED ASSUMPTION THAT IT WILL BEAR OPERATING AND MAINTENANCE COSTS FOR NEW EQUIPMENT FROM ITS OWN RESOURCES.

8. INFO ADDRESSEES SHOULD TAKE NO RPT NO ACTION PENDING RECEIPT OF SEPARATE INSTRUCTIONS.

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## Message Attributes

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